

Drilling Extends Vanadium at Red Hill and Buckman

ANNOUNCEMENT

1 December 2009

HIGHLIGHTS

- Further vanadium assays from Buckman and Red Hill prospects support Speewah hosting Australia largest vanadium deposit with potential for 100+ year mine life;
- Vanadium assay results received from the Buckman and Red Hill exploration targets confirm mineralisation over 9km by 2km at Buckman and 6km by 1.5km at Red Hill;
- Significant intersections include:
 - 50m @ 0.30% V₂O₅, including 19m @ 0.34% V₂O₅
 - 117m @ 0.30% V₂O₅, including 28m @ 0.35% V₂O₅
 - 78m @ 0.29% V₂O₅, including 26m @ 0.37% V₂O₅
- Drilling was within the previously identified targets of 1000Mt to 2000Mt at 0.3 to 0.35% V₂O₅ at Buckman and 400Mt to 600Mt at 0.3 to 0.35% V₂O₅ at Red Hill;
- Confirms the delineation of a high grade basal zone similar to the Central vanadium deposit;
- Assay results will be used to category upgrade the Central Deposit resource and estimate maiden resources at Buckman and Red Hill in the coming months.
- Samples will now be submitted for platinum group elements and gold that occurs in a reef within the vanadium mineralisation.

Introduction

During Phase 1 of the 2009 field season NiPlats Australia Limited (ASX:NIP) has completed 6,153m (116 holes) Reverse Circulation ("RC") and 970m (6 holes) Diamond Core ("DC") drilling on the company's 100% owned Speewah Dome tenements to achieve the following objectives:

1. Completion of Pre-Feasibility Studies on the Central Deposit vanadium project with the goal of delivering a conceptual NPV in the first half of 2010. This was identified as Objective 1 in the Quarterly Activity Statement released to ASX on 30 October 2009;
2. Resource category upgrade on the Central Deposit.
3. Definition of maiden resource estimates on the Red Hill and Buckman exploration targets.
4. Provide further information on the PGE+Au reef identified in 2007 (Objective 2).
5. Scoping study of Fluorite project including a Fluorite resource upgrade (Objective 3).

Assay Results Received from Buckman and Red Hill Vanadium Exploration Targets

Vanadium assay results confirm mineralisation over 9km by 2km at Buckman (Figure 1) and 6km by 1.5km at Red Hill (Figure 2).

36 infill RC holes were drilled at the Buckman target (Figure 1) and 7 RC holes and one DC hole at the Red Hill target (Figure 2). Vanadium assay have been received from the RC holes (Tables 1 and 2) and the DC hole will be assayed and used for metallurgical testwork. All but 3 drill holes intersected vanadium mineralisation over vertical down-hole intervals of between 5 and 117 metres (at a 0.2% V₂O₅ cut-off). The thinner intersections are due to the drill collar being sited in outcropping mineralisation that has been partly eroded. The holes that missed intersecting vanadium mineralisation were drilled into the barren footwall unit.

Red Hill has now returned the thickest drilled intersections (maximum 117m) of all three vanadium prospects. The downhole intersections are interpreted to be almost equivalent to the true thickness of the

mineralised layer as field mapping and drilling along sections shows flat dips to the east in Buckman and to the west in Red Hill.

Using a 0.2% V₂O₅ cut-off, average intercept values range from 0.25% to 0.36% V₂O₅, with higher average grades of 0.34% to 0.37% V₂O₅ encountered across a basal layer which outcrops in the west at Buckman and in the east at Red Hill. Downhole intersections recorded in Tables 1 and 2 include:

Buckman

- SRC376A – 57m @ 0.28% V₂O₅ from 32m, including 12m @ 0.36% V₂O₅ from 66m
- SRC379 – 31m @ 0.32% V₂O₅ from 1m, including 13m @ 0.36% V₂O₅ from 10m
- SRC381 – 50m @ 0.30% V₂O₅ from 1m, including 19m @ 0.34% V₂O₅ from 29m
- SRC383 – 58m @ 0.29% V₂O₅ from 11m, including 11m @ 0.36% V₂O₅ from 48m
- SRC395 – 51m @ 0.29% V₂O₅ from 0m, including 10m @ 0.37% V₂O₅ from 32m
- SRC396 – 36m @ 0.32% V₂O₅ from 0m, including 14m @ 0.35% V₂O₅ from 12m
- SRC397 – 50m @ 0.30% V₂O₅ from 2m, including 9m @ 0.37% V₂O₅ from 35m

Red Hill

- SRC362 – 117m @ 0.30% V₂O₅ from 11m, including 28m @ 0.35% V₂O₅ from 69m
- SRC363 – 40m @ 0.32% V₂O₅ from 2m including 20m @ 0.35% V₂O₅ from 21m
- SRC364 – 54m @ 0.31% V₂O₅ from 2m including 26m @ 0.36% V₂O₅ from 30m
- SRC365 – 78m @ 0.29% V₂O₅ from 51m including 26m @ 0.37% V₂O₅ from 102m

At Buckman, RC holes were drilled to give a 500m by 250m coverage, while at Red Hill the RC programme tested the southern extension of the target by drilling on 1000m by 250-500m centres.

The Buckman and Red Hill vanadium targets resemble the Central vanadium deposit, where vanadium mineralisation occurs in a gently dipping slab of vanadiferous magnetite gabbro up to 80m thick, with a basal high grade (0.36-0.42% V₂O₅) layer of magnetite bearing gabbro, overlain by a lower grade zone with grades between 0.2-0.3% V₂O₅.

The locations of the 36 RC drill holes at Buckman and 7 RC holes at Red Hill, reported in this announcement, are shown on Figures 1 and 2, and all drill hole assay results for Vanadium are summarised in Tables 1 and 2.

Director's Commentary

The Board is extremely pleased by the assay confirmation of the exploration targets of Red Hill and Buckman of 1.4-2.6 Billion tonnes at 0.3-0.35% V₂O₅. This is **in addition to the existing resource** at the Central Deposit of Indicated and Inferred Resources totalling 851 Mt at 0.32% (at 0.23% V₂O₅ cut-off grade).

The assay results reported in this announcement will be used to estimate maiden resources at Buckman and Red Hill which together with the Central deposit, further support Speewah as hosting Australia's largest vanadium deposit.

The Board notes the following key points in respect of the assay prefeasibility study reported earlier this month on the Central Deposit.

1. A selection of samples from the 65 RC holes drilled in 2009 (and the 54 holes drilled in the Central Deposit in 2007 and 2008) will now be prepared and submitted for metallurgical testing which is a key part of the Scoping Study into the Central Vanadium Project and also assess the magnetite grade and tenor at Buckman and Red Hill. It is this work that is designed to deliver the conceptual NPV for the Central Vanadium Project which will value the Project for investors and shareholders. This work is on track and expected to be completed in the 2nd quarter of 2010. The Scoping Studies will also deliver the following important outcomes:
 - a. Pit design;

- b. Pit optimisation;
 - c. Ferro-vanadium (FeV) Process Flowsheet.
2. The potential of this Vanadium deposit is greatly enhanced by a unique metallurgy of 'higher tenor' (tenor being the recovery of Vanadium obtained in a magnetite concentrate). NiPlats notes that the tenor of the Central Deposit is higher than other Vanadium prospects in Australia and also deposits that are currently being exploited elsewhere in the world;
 3. The Central Vanadium deposit alone equates to over **6 Billion pounds (lbs) of contained Vanadium Pentoxide (V₂O₅)** which is traded in US\$ per pound according to standard market practice. A commercial Ferro-vanadium project (which is the development goal of NiPlats) can produce a Vanadium Pentoxide product before further processing to produce the higher value Ferro-Vanadium alloy. Shareholders and investors interested and wishing to review regular price movement in Vanadium Pentoxide (V₂O₅) and Ferro-Vanadium (FeV₈₀) can do so at www.minormetals.com Please note that Ferro-Vanadium is traded in US\$ per kilo.

Other Assay Results Pending

Assay results pending from other programmes completed during the 2009 field season include:

- PGE + Au assays from RC samples at Central, Red Hill & Buckman Prospects;
- Fluorite assays from RC and DC samples at the ABCE deposit;
- Cu + Au assays from RC drilling along the fluorite veins and from Phase 2 of the 2009 Exploration programme, being the deep Diamond Core drilling programme in the ABCE area.

Results from these programmes will be released as separate announcements as the information comes to hand.

Resource Estimates

The following resource estimates are expected to be completed as a result of the 2009 Exploration Programme following receipt of all assays:

1. Category upgrade will be completed on the Central Deposit resource;
2. Maiden resource estimate on the Buckman Prospect;
3. Maiden resource estimate on the Red Hill Prospect;
4. Fluorite resource upgrade.

These exploration targets are based on RC drilling (vanadium assays and geological logging in 46 holes), geological mapping, copper and vanadium-in-soil geochemistry and airborne magnetic imagery. The potential quantity and grade of these targets is conceptual in nature and is not a Mineral Resource.



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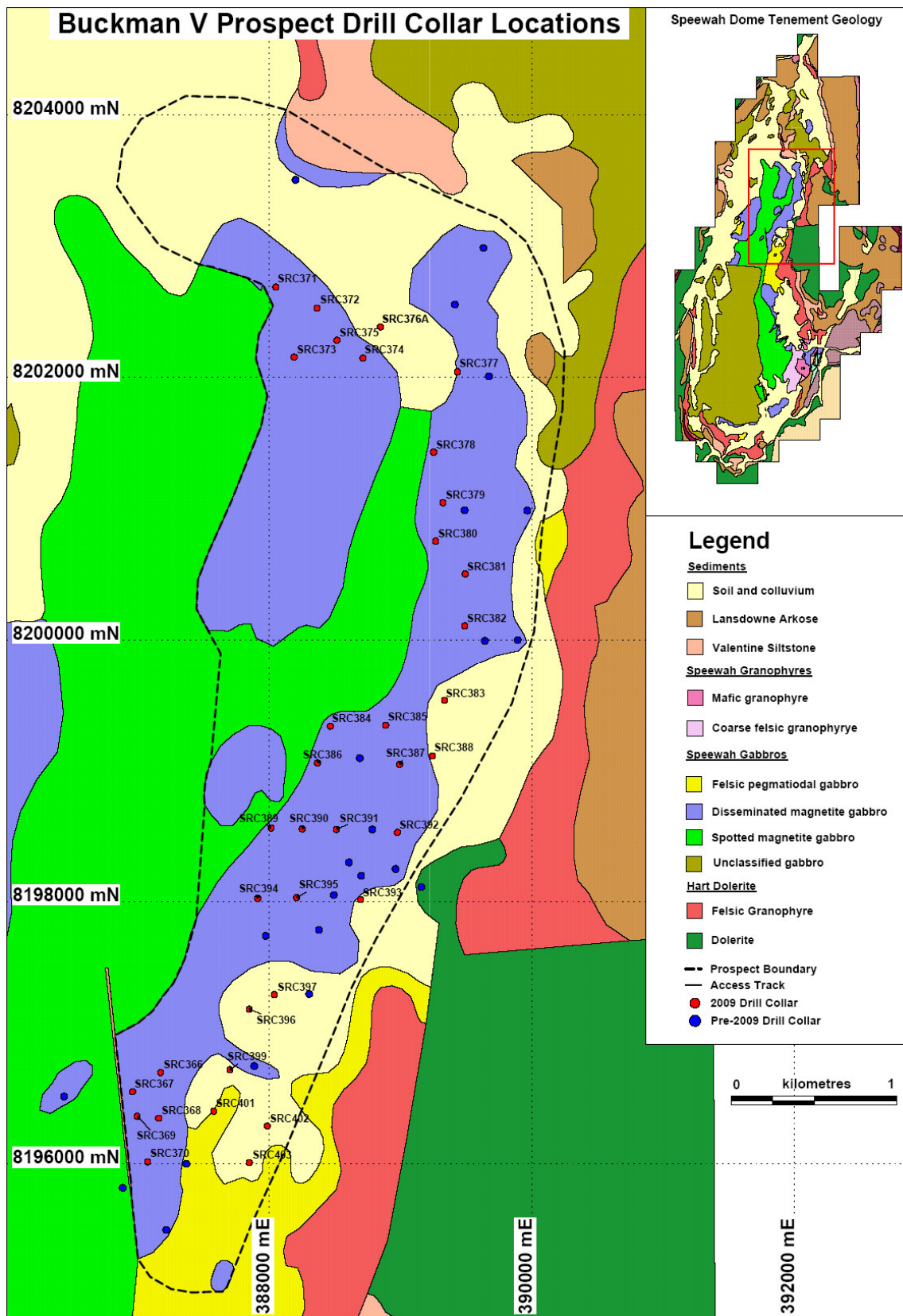


Figure 1. Geology of the Buckman vanadium exploration target within the Speewah Dome showing the locations of RC drill holes. The red dots represent RC drill-holes reported in this announcement. The blue dots represent RC drill holes completed in previous years within the Buckman exploration target (outline shown in dashed black line).



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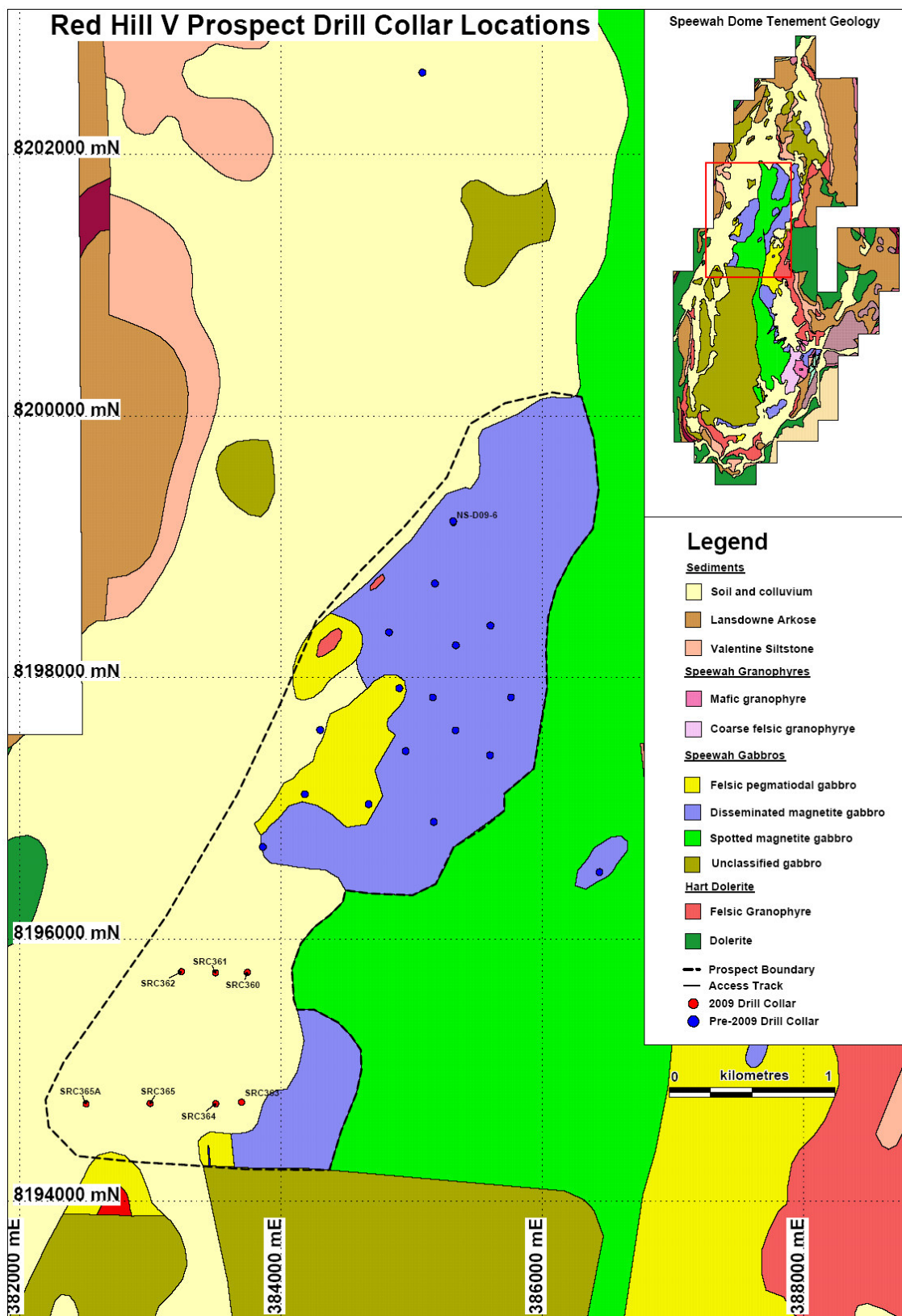


Figure 2. Geology of the Red Hill vanadium exploration target within the Speewah Dome showing the locations of RC drill holes. The red dots represent RC drill-holes reported in this announcement. The blue dots represent RC drill holes completed in previous years within the Red Hill exploration target (outline shown in dashed black line).

The information in this report that relates to exploration results is based on information compiled by Alex Eves, who is a consultant to NiPlats Australia Limited. This information was reviewed and verified by Mr KA Rogers (Member of the Australian Institute of Geoscientists), Chief Geologist for NiPlats Australia Limited. Mr Rogers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Richard Wolanski – Executive Director

Background

NiPlats Australia Limited (“NiPlats”) is a mining and exploration company whose prime focus is the definition and development of its vanadium – platinum and fluorite discoveries in the East Kimberly region of Western Australia (Figure 3).

The tenements contain a very large vanadium deposit with Indicated and Inferred Resources totalling 851 Mt at 0.32% (at 0.23% V₂O₅ cut-off grade), comprising an Indicated Resource of 334 Mt at 0.32% V₂O₅ and an Inferred Resource of 517 Mt at 0.32% V₂O₅ which includes a high grade zone of 279 Mt at 0.39% (at 0.365% V₂O₅ cut-off grade), comprising an Indicated Resource of 107 Mt at 0.4% V₂O₅ and an Inferred Resource of 172 Mt at 0.39% V₂O₅.

Reconnaissance drilling has also identified very large exploration targets for vanadium at the Red Hill and Buckman Prospects. The Buckman exploration target is 1 to 2 Billion tonnes at 0.3-0.35% V₂O₅, and the Red Hill exploration target is 400 to 600 million tonnes at 0.3-0.35% V₂O₅. These exploration targets are based on RC drilling (vanadium assays and geological logging in 46 holes), geological mapping, copper and vanadium-in-soil geochemistry and airborne magnetic imagery. The potential quantity and grade of these targets is conceptual in nature and is not a Mineral Resource.

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10% CaF₂ cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3% CaF₂ and an Inferred Resource of 2.6 Mt at 23.6% CaF₂.

NiPlats Australia Limited has a 100% interest in three granted Mining Leases (M80/267, M80/268 and M80/269) and two granted exploration licences (E80/2863 and E80/3657) covering 473 km² located about 100 km southwest of Kununurra. The tenements cover the Speewah Dome where Proterozoic-age Hart Dolerite intrudes older sediments of the Speewah and Kimberley Groups, which has been disrupted by fault and fault splays of the Greenvale Fault Zone that hosts both fluorite mineralisation and carbonatites in the Speewah area.

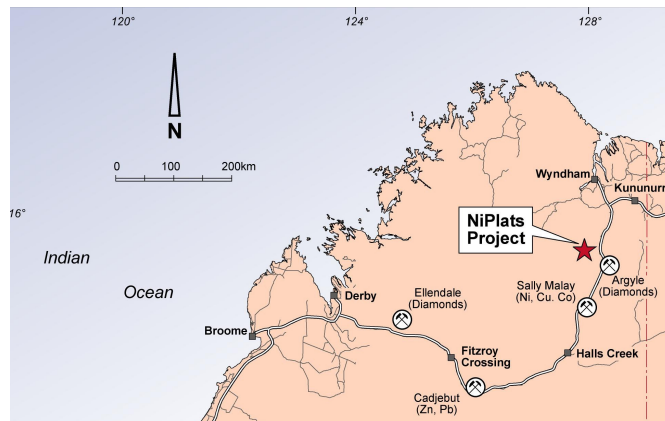


Figure 3. Location of NiPlats Australia Limited project area in northern Western Australia.



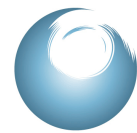
Table 1: Buckman Reverse Circulation Drill Hole Intersections at 0.2, 0.3 and 0.33% V₂O₅ cut offs

Hole ID	DGPS co-ordinates		EOH (m)	From (m)	To (m)	Interval (m)	Average (V2O5%)	Cutoff (V2O5%)
	Easting	Northing						
SRC366	387171.75	8196695.70	24	1	15	14	0.32	0.20
				4	14	10	0.33	0.30
				11	14	3	0.36	0.33
SRC367	386958.02	8196550.27	24	2	7	5	0.34	0.20
				2	6	4	0.36	0.30
				3	6	3	0.37	0.33
SRC368	387157.52	8196347.98	24	2	18	16	0.34	0.20
				2	16	14	0.35	0.30
				3	16	13	0.35	0.33
SRC369	386993.17	8196362.19	30	1	20	19	0.36	0.20
				1	20	19	0.36	0.30
				1	20	19	0.36	0.33
SRC370	387072.93	8196015.22	18	0	13	13	0.33	0.20
				0	11	11	0.34	0.30
				0	11	11	0.34	0.33
SRC371	388049.32	8202689.82	24	1	6	5	0.25	0.20
				-	-	-	-	0.30
				-	-	-	-	0.33
SRC372	388364.38	8202528.41	30	1	20	19	0.30	0.20
				8	16	8	0.33	0.30
				10	15	5	0.34	0.33
SRC373	388189.75	8202155.44	18	-	-	-	-	0.20
				-	-	-	-	0.30
				-	-	-	-	0.33
SRC374	388713.92	8202148.75	74	1	34	33	0.25	0.20
				22	24	2	0.31	0.30
				-	-	-	-	0.33
SRC375	388516.00	8202284.29	54	3	42	39	0.29	0.20
				18	34	16	0.34	0.30
				19	31	12	0.35	0.33
SRC376A	388847.40	8202386.21	100	32	89	57	0.28	0.20
				65	80	15	0.35	0.30
				66	78	12	0.36	0.33
SRC377	389434.05	8202044.71	72	1	52	51	0.29	0.20
				31	48	17	0.34	0.30
				32	43	11	0.35	0.33
SRC378	389252.96	8201431.28	24	1	16	15	0.30	0.20
				1	9	8	0.33	0.30
				1	6	5	0.34	0.33
SRC379	389324.11	8201045.49	40	1	32	31	0.32	0.20
				6	30	24	0.34	0.30
				10	23	13	0.36	0.33
SRC380	389268.14	8200752.90	30	1	25	24	0.33	0.20
				2	19	17	0.35	0.30
				3	16	13	0.36	0.33



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Hole ID	DGPS co-ordinates		EOH (m)	From (m)	To (m)	Interval (m)	Average (V2O5%)	Cutoff (V2O5%)
	Easting	Northing						
SRC381	389494.50	8200502.88	54	1	51	50	0.30	0.20
				23	48	25	0.33	0.30
				29	48	19	0.34	0.33
SRC382	389490.36	8200107.14	66	5	58	53	0.29	0.20
				31	55	24	0.33	0.30
				38	49	11	0.35	0.33
SRC383	389335.29	8199534.14	78	11	69	58	0.29	0.20
				41	65	24	0.33	0.30
				48	59	11	0.36	0.33
SRC384	388465.01	8199335.94	24	-	-	-	-	0.20
				-	-	-	-	0.30
				-	-	-	-	0.33
SRC385	388888.02	8199342.60	48	1	13	12	0.25	0.20
				4	5	1	0.30	0.30
				-	-	-	-	0.33
SRC386	388367.28	8199055.73	30	-	-	-	-	0.20
				-	-	-	-	0.30
				-	-	-	-	0.33
SRC387	388993.85	8199045.65	54	2	39	37	0.29	0.20
				21	32	11	0.34	0.30
				23	30	7	0.35	0.33
SRC388	389242.28	8199110.50	90	19	79	60	0.28	0.20
				57	76	19	0.34	0.30
				59	69	10	0.37	0.33
SRC389	388013.55	8198560.48	30	1	24	23	0.33	0.20
				1	15	14	0.36	0.30
				4	15	11	0.37	0.33
SRC390	388251.52	8198553.85	54	2	47	45	0.31	0.20
				12	45	33	0.33	0.30
				27	37	10	0.37	0.33
SRC391	388511.66	8198548.37	36	-	-	-	-	0.20
				-	-	-	-	0.30
				-	-	-	-	0.33
SRC392 awaiting assays	388977.40	8198526.83	78					0.20
								0.30
								0.33
SRC393 awaiting assays	388696.26	8198014.97	48					0.20
								0.30
								0.33
SRC394 awaiting assays	387911.69	8198024.16	30					0.20
								0.30
								0.33
SRC395	388209.35	8198029.70	60	0	51	51	0.29	0.20
				23	44	21	0.34	0.30
				32	42	10	0.37	0.33



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Hole ID	DGPS co-ordinates		EOH (m)	From (m)	To (m)	Interval (m)	Average (V2O5%)	Cutoff (V2O5%)
	Easting	Northing						
SRC396	387847.60	8197179.03	48	0	36	36	0.32	0.20
				9	27	18	0.34	0.30
				12	26	14	0.35	0.33
SRC397	388038.42	8197290.92	60	2	52	50	0.30	0.20
				26	51	25	0.33	0.30
				35	44	9	0.37	0.33
SRC399	387699.26	8196718.12	60	44	51	7	0.30	0.20
				46	50	4	0.35	0.30
				47	50	3	0.36	0.33
SRC401	387576.29	8196401.10	78	34	57	23	0.26	0.20
				-	-	-	-	0.30
				-	-	-	-	0.30
SRC402	387984.50	8196288.35	120	85	108	23	0.34	0.20
				86	107	21	0.34	0.30
				89	107	18	0.35	0.33
SRC403	387848.81	8196009.85	120	88	105	17	0.34	0.20
				89	104	15	0.35	0.30
				90	104	14	0.36	0.33

Note: 1. V assayed by XRF and converted to V₂O₅ % by multiplying by 1.785 and confirmed by ICP
 2. Downhole assays conducted on 1m sample intervals
 3. Collar coordinates surveyed by DGPS using GDA94 Datum, MGA94 Zone 52
 4. All holes drilled vertical (azimuth 0°, dip -90°)



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Table 2: Red Hill Reverse Circulation Drill Hole Intersections at 0.2, 0.3 and 0.33% V₂O₅ cut offs

Hole ID	DGPS co-ordinates		EOH (m)	From (m)	To (m)	Interval (m)	Average (V2O5%)	Cutoff (V2O5%)
	Easting	Northing						
SRC360	383742.45	8195748.59	50	2	8	6	0.27	0.20
				4	6	2	0.32	0.30
				5	6	1	0.34	0.33
SRC361 Upper Zone	383499.03	8195744.92	96	1	83	82	0.29	0.20
				5	12	7	0.32	0.30
				7	8	1	0.34	0.33
SRC361 Lower Zone	383499.03	8195744.92	96	-	-	-	-	0.20
				51	81	30	0.33	0.30
				62	71	9	0.35	0.33
SRC362	383238.66	8195753.29	144	11	128	117	0.30	0.20
				45	126	81	0.33	0.30
				69	97	28	0.35	0.33
SRC363	383698.57	8194757.67	48	2	42	40	0.32	0.20
				18	42	24	0.35	0.30
				21	41	20	0.35	0.33
SRC364	383500.73	8194746.26	66	2	56	54	0.31	0.20
				24	56	32	0.35	0.30
				30	56	26	0.36	0.33
SRC365	382999.44	8194748.90	132	51	129	78	0.29	0.20
				98	128	30	0.36	0.30
				102	128	26	0.37	0.33
SRC365A Upper Zone	382509.25	8194745.75	240	89	231	142	0.29	0.20
				118	163	45	0.34	0.30
				122	146	24	0.35	0.33
SRC365A Lower Zone	382509.25	8194745.75	240	-	-	-	-	0.20
				196	231	35	0.33	0.30
				203	230	27	0.34	0.33

Note: 1. V assayed by XRF and converted to V₂O₅ % by multiplying by 1.785 and confirmed by ICP
 2. Downhole assays conducted on 1m sample intervals
 3. Collar coordinates surveyed by DGPS using GDA94 Datum, MGA94 Zone 52
 4. All holes drilled vertical (azimuth 0°, dip -90°)